

For Immediate Release June 16, 2005

Contacts: Sen. Kuipers office:
Darin Ackerman
517-373-6920

Sen. Ron Jelinek: 517-373-6960

## Senators hear how K-16 Coalition proposal would mean higher taxes or deep cuts

**LANSING** – A proposal to guarantee funding for public education would cost the state \$1.53 billion in extra spending in the first year alone, according to analysis from the nonpartisan Senate Fiscal Agency given to Senate education committees Thursday.

Members of the Senate Education Committee and the Senate Appropriations K-12 education subcommittee heard testimony about Senate Bill 246, which would give school districts, community colleges and public universities annual budget increases of 5 percent or the rate of inflation, whichever is less.

"The immense cost of the proposal would mean deep cuts to other programs with corrections, revenue sharing and Medicaid being the likely targets," said Sen. Wayne Kuipers, R-Holland, who chairs the Senate Education Committee. "If we don't want to make those cuts, then higher taxes are the only alternative to balance the budget, and hiking taxes during tough economic times is exactly what we don't need."

Sen. Ron Jelinek, R-Three Oaks, noted the cost to non-educational programs if SB 246 is enacted.

"It's our intention to provide a quality education at a price we can afford in this state," said Jelinek, who chairs the Senate Appropriations subcommittee on K-12 education funding. "And when you start guaranteeing that price while still providing a quality education, it's going to be at the cost of other quality programs in this state."

At the hearing, Gary Olson, director of the Senate Fiscal Agency, estimated that, assuming no cuts, the state income tax would have to be increased from 3.9 percent to 4.76 percent — a 22 percent increase — or the sales tax would have to go up from 6 cents per dollar to 7.1 cents per dollar — an 18 percent hike.

"I don't know where we would find that kind of money," Olson said during the hearing, adding later, "There's only so much in savings unless you eliminate total functions of government. It would have a major effect on the budget."

The K-16 Coalition proposal comes during difficult budget times for Michigan, but it is important to remember that support to school districts has remained a top priority. Education funding is by far the largest slice of the state's budget pie with about a third, or \$12.5 billion, going to education in fiscal year 2004-2005.

Additionally, before the recent economic downturn, education saw significant funding increases. K-12 education has seen overall budget increases in the past nine of out 10 budget years. Since 1994 when Michigan voters approved Proposal A, total education funding has increased 41 percent, far surpassing the inflation rate of 27 percent.

###